

May 22, 2023

MEMORANDUM

To: Land Use Committee
From: Yolanda Ho, Supervising Analyst
Subject: Equitable Development Zoning (CB 120582)

On May 24, 2023, the Land Use Committee (Committee) will receive an initial briefing from the Office of Planning and Community Development (OPCD) on Council Bill (CB) 120582 that would amend the Land Use Code (Seattle Municipal Code Title 23) to reduce regulatory barriers for anti-displacement projects, including those funded through the City's [Equitable Development Initiative \(EDI\)](#).

This memorandum provides background information on EDI, describes CB 120582, and lays out next steps.

Background

During the prior major update to the Comprehensive Plan, the City centered the issue of race and social equity, recognizing that Seattle's rapid growth was creating disproportionately negative impacts on Black, Indigenous, and people of color (BIPOC). Specifically, the City's analysis revealed that these residents and the institutions and businesses that serve them were being displaced from their neighborhoods, and in some cases Seattle entirely, due to redevelopment and rapidly increasing rent and home prices.

In response to these findings, the City created EDI in 2016 to provide a dedicated resource for projects intended to help prevent displacement, and potentially create opportunities for residents and businesses who have been displaced to return. Such projects frequently have difficulty with financing because they are led by small, community-based organizations rather than well-established developers that are viewed as lower risk by traditional financial institutions. EDI funds myriad anti-displacement efforts, including but not limited to organizational capacity building, affordable housing, commercial space, and community centers. Related, the Council passed [Ordinance 126173](#) that permanently established the 13-member EDI Advisory Board in 2020.

Over the years, the City has steadily increased funding for EDI projects with a mix of ongoing and one-time resources, allowing EDI to support over 40 community-led projects to date. EDI was initially funded in 2016 with \$16 million from the one-time proceeds of the sale of Civic Square Block and primarily relies on ongoing support from the General Fund, Short-Term Rental Tax Fund, and JumpStart Fund. The 2023 Adopted Budget includes \$24.6 million for EDI grants.

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EDI grants have advanced the City's racial equity goals by increasing access to capital for BIPOC-led organizations to acquire land and construct projects that support their communities. However, as these projects have entered the land use permitting phase, they have encountered regulatory barriers that increase costs, delay timelines, and create uncertainty about permitting decisions.

CB 120582 is intended to address some of the barriers that have been identified by EDI stakeholders. Generally, it would:

- Change community centers and libraries in Neighborhood Residential zones from conditional uses¹ to institutions permitted outright;
- Reduce requirements for off-street parking for community centers and libraries;
- Create a new definition for "community farm" as a type of institution distinct from an "urban farm" (accessory use, more appropriate for for-profit entities) or "community garden" (principal use, sale of food products or plants prohibited). The legislation would allow for the sale of food products and plants, establish standards and minimum parking requirements, and make community farms a principal use allowed outright in Neighborhood Residential zones;
- Expand the definition of "community club or center" to include activities and programming commonly included in EDI projects, such as social gatherings, educational programs, gardens, and art exhibits;
- Allow community centers to include certain accessory commercial uses, such as commercial kitchens, co-working spaces, and health clinics, so that these institutions can provide additional community services and generate revenue for the nonprofit organization; and
- For institutions in Lowrise zones, apply setback requirements consistent with those for uses permitted outright rather than requiring larger setbacks, and eliminate specific setback requirements for outdoor play equipment and game courts.

These proposed changes would apply to all such projects in the applicable zones, not only those funded by EDI. For more detailed information about the proposal and anticipated impacts, please see the [OPCD Director's Report](#).

OPCD conducted environmental review as required by the State Environmental Policy Act (SEPA) and published a Determination of Non-Significance (DNS) on March 23, 2023. The DNS received no appeals before the appeal period ended on April 14, 2023.

¹ Conditional uses are subject to additional provisions, as determined by the Seattle Department of Construction and Inspections, intended to reduce potential negative impacts to other properties in the vicinity.

Next Steps

The Committee will hold the required public hearing, continue discussion, and possibly vote at its special meeting on June 26, 2023.

cc: Esther Handy, Director
Aly Pennucci, Deputy Director